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DE RUEHKO #4424/01 2190625 ZNR UUUUU ZZH R 070625Z AUG 06 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC 5077 RUCPDOC/USDOC WASHDC INFO RUEHME/AMEMBASSY MEXICO 0425 RUEHLO/AMEMBASSY LONDON 1559 RUEHWL/AMEMBASSY WELLINGTON 0906 RUEHBY/AMEMBASSY CANBERRA 1725 RUEHRK/AMEMBASSY REYKJAVIK 0139 RUEHNY/AMEMBASSY OSLO 1091 RUEHSM/AMEMBASSY STOCKHOLM 0600 RUEHBK/AMEMBASSY BANGKOK 3776

UNCLAS TOKYO 004424

SIPDIS

STATE FOR D, G and OES/OA - MHAYES/JFIELD AND EAP/J USDOC FOR NOAA/NMFS - US IWC COMMISSIONER HOGARTH AND **McCARTHY**

SIPDIS

E.O. 12958: N/A

TAGS: <u>SENV EFIS KSCA IWC JA ETRD</u>

SUBJECT: WHALING: TOUTING HEALTH BENEFITS, JAPAN MARKETS WHALE MEAT TO CAFETERIA INDUSTRY

REF: A) 05 TOKYO 2193; B) 05 TOKYO 2932;

- C) 05 TOKYO 6131; D) 06 TOKYO 2073; E) 06 TOKYO 2229 F) 06 TOKYO 2848; G) 06 TOKYO 2965

SUMMARY

11. In an effort to develop consumer demand for its increasing stockpile of whale meat (refs), the GOJ-linked "Geishoku Labo" (Whale Food Lab) held a whale tasting and lecture on July 27 in downtown Tokyo. From more than thirty recipes that Geishoku Labo created, the company offered sashimi (raw whale meat), whale fries, and whale meatballs. In opening presentations, nutrition experts contended that whale meat helps prevent heart disease, Alzheimer's disease and other illnesses while they deflected criticism that much whale meat is laden with toxic pollutants. The company intends to target the institutional market by emphasizing the health benefits of whale meat. END SUMMARY

"Geishoku Labo": GOJ-Created Marketing Company

12. The whale meat marketing company Geishoku Labo began operations on May 1, 2006 with former marketing consultant Hiroshi Nakada as president. The idea for the company was cooked up during the past year by a whale meat promotion advisory committee, created by the Fisheries Agency of Japan (FAJ) and the GOJ funded Institute of Cetacean Research (ICR). The committee, whose other members included a director at Rakuten (a Japanese online merchandiser) and a fisheries products manager at a major Japanese supermarket chain, met six times to explore ways of promoting the consumption of whale meat. The product of these deliberations, Geishoku Labo, is a limited liability company capitalized with Yen one million (USD 9,000) of Nakada's own money. The company has borrowed Yen 25 million (USD 225,000) in operating funds from the ICR, and started with five employees.

13. Nakada's strategy is to "forget the traditional clich about whale meat" -- its connection to Japanese culture, or the debate on whether whale meat is delicious or not. In a conversation with EST FSN, he emphasized the healthy benefits of whale meat -- low cholesterol, high protein, and rich in iron, minerals, and the "healthy oils" EPA and DHA. Using this angle, he intends to target the institutional market including direct sales to hospitals, company cafeterias and home delivery services. He claimed that the whale meat market, with its supply determined annually, needed the stable demand provided by institutional buyers. Owing to expanding research whaling, the whale meat supply in Japan will increase to a total of 8,000 tons in 2006, from 1,700-1,800 tons in the 1990s. Nakada also plans to expand online, direct-to-consumer marketing.

MARKETING STRATEGY: HEALTH BENEFITS AND NEW RECEIPES

- 14. The July 27 event, attended by fifty representatives from the cafeteria industry and press, highlighted Nakada's strategy of emphasizing the health benefits of whale meat. In his opening remarks, Haruo Horiuchi, Managing Director for the Japan Industrial Food Service Association, noted that whale meat from research whaling is traceable, which is inline with the association's principle of country/area-of-origin labeling. In following lectures on nutrition, Kazunaga Yazawa, Professor of Health Food Science at Tokyo University of Marine Science and Technology, emphasized that whale meat contains abundant amounts of balenine (which he claimed increases physical strength), collagen and coenzyme Q10. He went on to say that some parts of whale meat contain more EPA (helps prevent heart diseases) and DHA (helps prevent Alzheimer's disease) than tuna.
- 15. The participants were then served three whale meat sample dishes: sashimi (raw whale meat), whale fries, and whale meatballs. Nakada explained that the company has come up with more than 30 recipes, such as one for a hamburger patty, consisting of 20 percent whale meat, 70 percent chicken and 10 percent blubber. He claimed the "whaleburger" costs the same as a one made of pork (around USD 1), while its EPA/DHA content makes it much more nutritious. According to a Geishoku Labo Public Relations employee, numerous attendees ordered the company's sample whale meat and said they would like to see an increase in the whale meat supply. He stressed that the unique nature of whale meat -- that it can be used like fish or meat -- would enable the cafeteria industry to offer more varied menus. Geishoku Labo purchases whale meat directly from the ICR and sells red meat at ICR-determined prices: red meat at Yen 2,243 (USD 19) per kilogram, breast meat at Yen 1,725 (USD 15), shredded meat at Yen 1,725 (USD 15), all from Sei, minke, and other whales.

POLLUTANT LEVELS DOWNPLAYED

- 16. In response to questions about the PCB and mercury content of whale meat, the ICR contends that the level of these pollutants in red meat, blubber and kidneys of minke whales from the Antarctic Ocean are all below the level that the Ministry of Health, Labour and Welfare (MHLW) regards as safe. However, the mercury level in sperm whales in the Northwestern Pacific far exceeds the MHLW standards, and the ICR does not sell sperm whale meat at the time.
- 17. Regarding labeling the origin of whale meat, according to Nanami Kurasawa, Secretary General for the Dolphin and Whale Action Network, a Tokyo-based anti-whaling NGO, the July 2002 revision of the Japan Agricultural Standards Law has led to decreased false labeling. The revision

stipulates that for fresh food (such as fish and whale), vendors must display the place where it was caught. In accordance with the law, Geishoku Labo labels the ocean (the Antarctic Ocean or the Northwestern Pacific Ocean) and month/year when the whale was caught on each box of whale meat.

COMMERCIAL WHALING BY 2009?

18. While the results of the GOJ's marketing initiative have yet to be seen, given the diverse tastes of Japanese consumers, whale meat could find its place as a niche market. In response to such expected demand, FAJ Far Seas Fisheries Division's Deputy Director Hideki Moronuki remarked at the whale tasting event that his own wishful thinking is to resume commercial whaling by 2009. However, whether it is possible to do so without government subsidies remains to be seen, and will depend largely on the success of the GOJ's marketing initiatives.

SCHIEFFER